

**PROTOCOL  
 AMENDING THE CONVENTION  
 BETWEEN  
 CANADA AND  
 THE UNITED STATES OF AMERICA  
 WITH RESPECT TO TAXES ON  
 INCOME AND ON CAPITAL  
 SIGNED AT WASHINGTON ON SEPTEMBER 26, 1980<sup>(1)</sup>  
 AS AMENDED BY THE PROTOCOLS  
 SIGNED ON JUNE 14, 1983,<sup>(2)</sup>  
 MARCH 28, 1984 AND MARCH 17, 1995<sup>(3)</sup>**

**CANADA AND THE UNITED STATES OF AMERICA,**

DESIRING to conclude a Protocol to amend the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital signed at Washington on September 26, 1980, as amended by the Protocols signed on June 14, 1983, March 28, 1984 and March 17, 1995 (hereinafter referred to as "the Convention"),

**HAVE AGREED** as follows:

**ARTICLE 1**

1. Paragraph 3(a) of Article XIII (Gains) of the Convention shall be deleted and replaced by the following:
  - "(a) In the case of real property situated in the United States, means a United States real property interest and real property referred to in Article VI (Income from Real Property) situated in the United States, but does not include a share of the capital stock of a company that is not a resident of the United States; and"
2. Paragraph 3(b)(ii) of Article XIII (Gains) of the Convention shall be deleted and replaced by the following:
  - "(ii) A share of the capital stock of a company that is a resident of Canada, the value of whose shares is derived principally from real property situated in Canada; and"

**ARTICLE 2**

1. Paragraph 3 of Article XVIII (Pensions and Annuities) of the Convention shall be deleted and replaced by the following:
  - "3. For the purposes of this Convention, the term "pensions" includes any payment under a superannuation, pension or other retirement arrangement, Armed Forces retirement pay, war veterans pensions and allowances and amounts paid under a sickness, accident or disability plan, but does not include payments under an income-averaging annuity contract or, except for the purposes of Article XIX (Government Service), any benefit referred to in paragraph 5."

(1) Canada Treaty Series 1984/15

(2) Canada Treaty Series 1984/15

(3) Canada Treaty Series 1995/17